



Unemployment Insurance-Tax Cuts Index

	Extending Unemployment Insurance	Extending Tax Cuts for the top two brackets
Economic Benefit^[1]	\$1.60 for every \$1 spent	\$0.35 for every \$1 spent
Total Economic Impact	\$90.26 billion ^[2]	\$16.02 billion ^[3]
Americans Affected	More than 6 million ^[4]	Approximately 4.7 million ^[5]
Jobs Created per million dollars of total budgetary cost^[6]	8-19 jobs	1-3 jobs

^[1] Multipliers are as reported in Moody's Analytics' Special Report on *The Economic Impact of Tax Cut Proposals: A Prudent Middle Course*, released on September 15, 2010; compiled by Moody's Chief Economist Mark Zandi.

^[2] The CBO's preliminary cost estimate for continuing the EUC program through December, 2011, as provided in the "Unemployment-Insurance Stabilization Act of 2010" is \$56.41 billion. Applying the \$1.6 multiplier effect for UI expenditures, the total economic impact is \$90.26 billion (1.6 x 56.41).

^[3] CBO estimates that the revenue difference between extending the middle class tax rates and all tax rates is .3 percent of GNP. See Statement of Douglas W. Elmendorf, Director, Congressional Budget Office, before the United States Senate Committee on the Budget, *The Economic Outlook and Fiscal Policy Choices* 26, Sept. 28, 2010, available at http://budget.senate.gov/democratic/testimony/2010/Elmendorf_EconomicOutlook_Testimony_92810.pdf. The BEA measured GNP at \$13.45 trillion in the third quarter of 2010. Therefore, the cost in 2011 is approximately \$40.35 billion. Applying the \$0.35 multiplier effect for income tax cuts, the total economic impact is \$14.12 billion (0.35 x 40.35).

^[4] 6 million people will lose their UI if the program is not extended. This does not take into account individuals who lose their jobs after the UI program has been defunded and have no recourse. It is difficult to project future job losses.

^[5] This is the number of tax returns affected as reported by the Joint Committee on Taxation. Available at

<http://www.capitalgainsandgames.com/files/Distributional%20Analysis%202011%20Number%20of%20Households%20per%20Income%20Category.pdf>.

^[6] See Congressional Budget Office, *Policies for Increasing Economic Growth and Employment in 2010 and 2011*, Jan. 2010, at 18 available at <http://www.cbo.gov/ftpdocs/108xx/doc10803/01-14-Employment.pdf>.

